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September 1, 2009

Dean Matsuura
Manager - Regulatory Affairs
Hawaiian Electric Company, Inc.
P. O. Box 2750
Honolulu, Hawaii 96840-0001

Re: Docket No. 2008-0083 - Application of Hawaiian Electric Company, Inc. for
Approval of Rate Increases and Revised Rate Schedules and Rules

Dear Mr. Matsuura:

To assist the commission staff in its review of the referenced docket, please respond to
the enclosed supplemental information requests by September 11, 2009.

If you have any questions, please contact me at 586-2020.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Ukris Wongse-ont".

Ukris Wongse-ont
Engineer

UW:sl

Enclosure

c: Catherine P. Awakuni
Dr. Kay Davoodi
Thomas W. Williams, Jr., Esq.
James N. McCormick, Esq.

Docket No. 2008-0083
Hawaiian Electric Company, Inc.
Supplemental Information Requests

Please respond to the following supplemental information requests:

PUC-SIR-102

Schedule E

References: (1) PUC-IR-102; (2) Interim Decision and Order dated July 2, 2009, Docket No. 2008-0083 ("Interim Decision and Order"), Part II.2(b) Employee Electricity Rate Discount, at 11; and (3) Revised Schedules Resulting from Interim Decision and Order dated July 8, 2009 ("Revised Schedules"), Exhibit 3, at 10.

In the Interim Decision and Order, the Commission states in part:

The commission is concerned with the justness and reasonableness of electricity discounts for HECO employees and former employees during these times of economic crisis and the critical need to incentivize energy conservation. The proposed Schedule E on page 24 of Exhibit HECO-106 provides full-time HECO employees and former employees with electricity rates that are two-thirds of the effective Schedule R rate for the first 825 kWh of consumption in each month. Such rates may be unduly discriminatory and under-allocate electricity costs to HECO employees and former employees. For purpose of interim rates, the commission directs HECO to remove Schedule E and adjust other rates based on this change (emphasis added).

PUC-IR-102 requested HECO to:

(1) confirm whether Schedule R customers were subsidizing Schedule E customers in the past prior to the issuance of the Interim Decision and Order and that, as a result of the removal of Schedule E, Schedule R revenues at current effective rates have been increased by \$1,066,900 as indicated by HECO in the Revised Schedules; and (2) show how Schedule R rates and other rate schedules will be adjusted accordingly as a result of the removal of Schedule E (emphasis added).

HECO's response to PUC-IR-102 states:

Yes, in the current base rate design (HECO test year 2005 rates, effective June 20, 2008) Schedule E customers are subsidized by Schedule R customers and by all other rate schedule customers. The discount amount for Schedule E customers is allocated in final rate design to all rate schedules (emphasis added). The removal of the Schedule E discount from the estimate of revenues at current effective rates increases Schedule R revenues by \$1,066,900, as shown in HECO T-3 Attachment 4 of Hawaiian Electric's revised schedules, filed July 8, 2009 in response to the Interim Decision and Order. The amount of interim rate increase allocation to Schedule R and to other rate schedules is lower by \$1,066,900 due to the removal of the Schedule E discount (emphasis added), as shown in Exhibit 2A, page 3, of Hawaiian Electric's revised schedules in response to the Interim Decision and Order.

HECO's response to PUC-IR-102 is informative and appreciated. For the docket record, it is concurred that, as a result of the removal of Schedule E discount, Schedule R revenues at current effective rates would increase by \$1,066,900 as shown in HECO T-3 Attachment 4 of the Revised Schedules. It is our understanding that revenues increase of \$1,066,900 resulted from the adjustments of "Schedule E adj." line item of \$996,300 and the "2007 Interim Rate Increase of 7.09%" line item of \$70,600 as indicated in Exhibit 3, page 10, of the Revised Schedules. It is also our understanding that, as a result of the removal of Schedule E, the "Base Revenue" for Schedule R has been increased from \$372,926,300 to \$373,922,600 (i.e., an increase of \$996,300) thereby lowering the "Class Increase" from 5.85% to 5.83% (see Exhibit 2A, page 3). However, the intent of PUC-IR-102 was to determine whether the additional revenues, as a result of the removal of Schedule E, would be implemented to reduce the electricity rates of Non-Schedule E customers since these customers were subsidizing Schedule E customers in the current base rate design as indicated by HECO's response above. Although the "Class Increase" is "lowered" from 5.85% to 5.83%, the referenced Exhibit 2A, page 3, does not show how the additional revenues, as a result of the removal of Schedule E, would be implemented in some way to reduce the electricity rates for the Non-Schedule E customers. Please illustrate whether and/or how the additional revenues would be implemented into the final rate design to reduce the electricity rates of Non-Schedule E customers.

PUC-SIR-104

Time-of-Use (TOU)

References: (1) PUC-IR-104; (2) HECO 2009 Test Year, Direct Testimonies and Exhibits, Docket No. 2008-0083, HECO T-22, at 42; (3) Stipulated Settlement Letter dated May 15, 2009, Docket No. 2008-0083, HECO T-22, Attachment 2, Final

Settlement, at 3; and (4) Interim Decision and Order dated July 2, 2009, Docket No. 2008-0083.

PUC-IR-104 requested:

(1) an average daily system demand profile for each month for the most recent 12 consecutive months (emphasis added); (2) the basis for the proposed on-peak and off-peak periods for Schedule TOU-R in comparison to the average daily system demand profiles; (3) an explanation as to why the proposed on-peak and off-peak periods for Schedule TOU-R are more reasonable than the current TOU-R three rating periods; (4) the new TOU-R charges for the proposed on-peak and off-peak periods as pertinent to the Commission's Interim Decision and Order dated July 2, 2009; (5) the basis, along with workpapers showing calculations, for the new TOU-R charges other than to incent customers to shift their electric consumption load from on-peak period to off-peak period (emphasis added); (6) reasonable recommended guidelines, along with any supporting research material, on what customers may do to shift their electric consumption away from on-peak period to off-peak period; and (7) an explanation as to why the new TOU-R charges are just, reasonable and in the public interest.

HECO's response to PUC-IR-104 is helpful and appreciated. For the docket record, please provide (1) an average daily system demand profile for each month during the 2009 Test Year; (2) supplementary explanation of how the average hourly loads were derived for the "Hour Ending"; (3) justification to switch from the current TOU-R three rating periods to two rating periods; (4) workpapers showing calculations and/or justifications for the derivation of the proposed TOU-R charges of 43.2113 ¢/kWh for on-peak period and 22.2113 ¢/kWh for off-peak period (see HECO T-22, page 41) other than the basis to incent customers to shift their electric consumption load from on-peak period to off-peak period; and (5) the projected TOU-R charges in ¢/kWh for on-peak and off-peak periods as if an equivalent amount approved by the Commission's Interim Decision and Order dated July 2, 2009, in Docket No. 2008-0083, would be implemented into the final rate design.

PUC-SIR-105

Rate Design - Proposed Rates

References: (1) PUC-IR-105; (2) HECO 2009 Test Year, Direct Testimonies and Exhibits, Docket No. 2008-0083, HECO T-22, at 26-47; (3) Stipulated Settlement Letter dated May 15, 2009, Docket No. 2008-0083, HECO T-22, Attachment 2, Final Settlement, at 1-3; (4) Interim Decision and Order dated July 2, 2009, Docket No. 2008-0083; and (5) Order (dated June 20, 2008) Granting Hawaiian Electric

Company, Inc.'s Motion to Adjust Interim Increase Filed on May 21, 2008, Docket No. 2006-0386.

PUC-IR-105 requested:

(1) revised rates for all rate schedules (i.e. rates/charges for all customer classes) resulting from the Commission's Interim Decision and Order dated July 2, 2009, in Docket No. 2008-0083, including but not limited to based fuel energy charge, non-fuel energy charge, etc. (emphasis added); and (2) revised rates for all rate schedules resulting from the Commission's Interim Decision and Order No. 23749 as modified by Order (dated June 20, 2008) Granting Hawaiian Electric Company, Inc.'s Motion to Adjust Interim Increase Filed on May 21, 2008, in Docket No. 2006-0386.

For the docket record, the intent of the first part of PUC-IR-105 was to request HECO for estimates of all rate schedules as if the amount equivalent to the 2009 interim increase (approved by Commission's Interim Decision and Order dated July 2, 2009, in Docket No. 2008-0083) would be implemented into the final rate design for each customer class (i.e., similar to the projection of proposed rates/charges in Docket No. 2008-0083, HECO T-22, pages 26 to 47) for the following rates/charges:

1. Customer charges;
2. Base fuel energy charges;
3. Non-fuel energy charges;
4. Minimum charges; and
5. Other applicable charges.

Likewise, the intent of the second part of PUC-IR-105 was to request HECO for estimates of all rate schedules as if the amount equivalent to the 2007 interim increase (approved by Commission's Interim Decision and Order No. 23749 as modified by Order, dated June 20, 2008, Granting Hawaiian Electric Company, Inc.'s Motion to Adjust Interim Increase Filed on May 21, 2008, in Docket No. 2006-0386) would be implemented into the final rate design for each customer class (i.e., similar to the projection of proposed rates/charges in Docket No. 2008-0083, HECO T-22, pages 26 to 47) for the for the following rates/charges.

1. Customer charges;
2. Base fuel energy charges;
3. Non-fuel energy charges;
4. Minimum charges; and
5. Other applicable charges.